

# HOUSE BILL 241

Q8

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By: **Delegate Clagett**

Introduced and read first time: January 26, 2012

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Frederick County – Hotel Rental Tax – Rate and Distribution of Revenue**

3 FOR the purpose of altering the rate of the hotel rental tax imposed in Frederick  
4 County; altering the distribution of certain hotel rental tax revenue in Frederick  
5 County; stating a certain intent of the General Assembly; and generally relating  
6 to the Frederick County hotel rental tax.

7 BY repealing and reenacting, with amendments,  
8 Article 24 – Political Subdivisions – Miscellaneous Provisions  
9 Section 9–304 and 9–318(b)(5)  
10 Annotated Code of Maryland  
11 (2011 Replacement Volume)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article 24 – Political Subdivisions – Miscellaneous Provisions**

15 9–304.

16 (a) [Subject to the limitations in subsections (b) and (c) of] **EXCEPT AS**  
17 **OTHERWISE PROVIDED IN** this section, the hotel rental tax rate is the rate that the  
18 authorized county sets by resolution.

19 (b) An authorized county may not set a hotel rental tax rate that exceeds:

20 (1) 3% in a code county;

21 (2) 5% in Calvert County;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (3) 5% in Carroll County;
- 2 (4) 3% in Cecil County;
- 3 (5) 5% in Charles County;
- 4 (6) 5% in Dorchester County;
- 5 (7) [5% in Frederick County;]
- 6 [(8)] 5% in Garrett County;
- 7 [(9)] (8) 5% in St. Mary's County;
- 8 [(10)] (9) 5% in Somerset County;
- 9 [(11)] (10) 4% in Talbot County; and
- 10 [(12)] (11) 6% in Wicomico County.

11 (c) (1) Notwithstanding subsection (b)(1) of this section, a code county,  
 12 other than a code county in the Western Maryland class, may set a hotel rental tax  
 13 rate that is greater than 3%, but not exceeding 5%, with the unanimous consent of the  
 14 county commissioners for the county.

15 (2) Notwithstanding subsection (b)(1) of this section, a code county in  
 16 the Western Maryland class may set a hotel rental tax rate that is greater than 3%,  
 17 but not exceeding 8%, with the unanimous consent of the county commissioners for the  
 18 county.

19 (d) **THE HOTEL RENTAL TAX RATE IN FREDERICK COUNTY IS 5%.**

20 (E) The hotel rental tax rate in Washington County is 6%.

21 9-318.

22 (b) (5) (i) Frederick County shall distribute the hotel rental tax  
 23 revenue as follows:

24 1. From the total revenue, a reasonable sum for hotel  
 25 rental tax administrative costs to the general fund of the county; and

26 2. [The] **EXCEPT AS PROVIDED IN SUBPARAGRAPH**  
 27 **(III) OF THIS PARAGRAPH**, THE remaining balance to the Tourism Council of  
 28 Frederick County, Inc., with a portion of the balance designated by the County  
 29 Commissioners to be used for a visitor center.

1                   (ii)    The internal auditor of the county shall conduct an audit of  
2 the financial records of the Tourism Council and report the findings to the County  
3 Commissioners.

4                   **(III) FREDERICK COUNTY SHALL DISTRIBUTE 40% OF THE**  
5 **HOTEL RENTAL TAX REVENUE AS FOLLOWS:**

6                   **1.     \$150,000 PER YEAR TOWARDS THE DEBT SERVICE**  
7 **OF THE TOURISM CENTER LOCATED AT 151 SOUTH EAST STREET IN THE CITY**  
8 **OF FREDERICK; AND**

9                   **2.     THE REMAINING BALANCE TO THE CITY OF**  
10 **FREDERICK FOR ECONOMIC DEVELOPMENT AND TOURISM CAPITAL PROJECTS.**

11               SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the  
12 General Assembly that the first use for the dedicated funds inuring to the City of  
13 Frederick for economic development and tourism capital projects will be for land  
14 acquisition for the hotel and conference center to be located in the City of Frederick.

15               SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 June 1, 2012.